

# **Merton Council**

## **Standards and General Purposes Committee**

**18 July 2024**

### **Supplementary agenda**

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<b>Standards and General Purposes Committee</b>	DATE: 18 July 2024
REPORT/DECISION TITLE Annual Governance Statement	WARD(S): All
CHIEF OFFICER Asad Mushtaq Executive Director of Finance and Digital  Signed Asad Mushtaq Date: 27/6/24	CABINET/LEAD MEMBER Councillor Billy Christie  Signed Councillor Christie Date: 15/7/24
DECISION CLASSIFICATION Non-exempt report Non-exempt appendix	IS THE FINAL DECISION ON THE RECOMMENDATIONS IN THIS REPORT TO BE MADE AT THIS MEETING?  Yes

1. **Recommendations:**

To agree the 2023/24 Annual Governance Statement (as contained in Appendix A) for inclusion within the Council’s Statement of Accounts

2. **Purpose of Report and Executive Summary**

2.1 This report presents the Council’s Annual Governance Statement (AGS) for 2023/24. This statement is required to comply with Regulation 6 (3) of the Accounts and Audit regulations 2015 and the CIPFA/SOLACE standards. The AGS provides residents and other stakeholders an overview of the governance arrangements in place at the Council and assurance regarding the adequacy and effectiveness of those arrangements.

2.2 As required by the CIPFA (Chartered Institute of Public Finance and Accountancy) standards, the AGS will be signed by the Chief Executive and Leader of the Council for inclusion in the final accounts.

3. **Links to the Merton Priorities (Borough of Sport/Civic Pride/Sustainable Futures)**

3.1 This report relates to the Council’s Strategic priorities, as effective Governance arrangements impact across all areas in which we seek to make a difference in Merton, it operates and spans different levels of the Council.

The Council recognises the benefits of strong corporate governance as: -

- Behaving with integrity, demonstrating a strong commitment to ethical values, and respecting the rule of law
- Ensuring openness and comprehensive stakeholder engagement
- Defining outcomes in terms of sustainable economic, social, and environmental benefits and determining the interventions necessary to optimise the achievement of the intended outcomes.
- Developing the Councils capacity, including the capability of its leadership and the individuals within it.
- Managing risks and performance through robust internal control and strong public financial management.
- Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

#### 4. **Introduction and Background**

4.1 The purpose of the Annual Governance Statement is to report on the robustness of the Council's governance arrangements. Corporate governance is defined, for the purposes of this report as:

*'The framework of accountability to users, stakeholders, and the wider community, within which organisations take decisions, and lead and control their functions, to achieve objectives. The quality of corporate governance arrangements is a key determinant of the quality of services provided by organisations.'*

4.2 Regulation 5 (1) of the Accounts and Audit Regulations 2015 requires that the Council undertake an effective internal audit to evaluate the effectiveness of the risk management, control, and governance processes, taking into account the Public Sector Internal Auditing Standards or guidance.

4.3 Regulations 6 (1)(3) states the Council must, each financial year, conduct a review of the effectiveness of the system of internal control and submit the findings of the review to members of the authority. The Annual Review is a high-level review carried out by Internal Audit, which provides an assessment of whether the Council complied with the principles of the CIPFA/SOLACE framework for good governance during 2023/24.

4.4 The Council's Governance Framework is described in the Annual Governance Statement. This narrative sets out the key elements of governance within the Council and these arrangements which have been assessed as part of this review.

#### Governance review

4.5 Council-wide governance arrangements have been assessed against the core principles and supporting criteria set out by CIPFA/SOLACE in their publication 'Delivering Good Governance in Local Government 2016'. The Annual Governance Statement uses evidence from a number of specific and general sources spanning the Council's assurance framework and is supported by an annual review of effectiveness, which draws upon the following work:

- An annual review of the Council's governance arrangements against CIPFA standards, as summarised within this report,

- The Annual Effectiveness Review of the System of Internal Audit and the Head of Internal Audit's opinion on the adequacy of the Council's internal control environment.
  - Completion of governance self-assessments by senior officers
  - Other assurances, such as External Audit, external inspectors, and other independent reviews
  - Discussions with key senior officers to assess the Council's corporate governance framework.
- 4.6 The review of the governance framework against the standard, confirms that it is fit for purpose. An update has been provided on progress of 5 actions identified in the previous year's governance review and 4 actions have been carried over and are included in Table 2, with the 8 actions identified during this review, for implementation in 2023/24 (table 2 of the AGS).

#### Review of the work of Internal Audit

- 4.7 The Head of Audit is required to provide the Council with an opinion on the adequacy and effectiveness of the internal control environment. The work of Internal Audit during 2023/24 was sufficient to draw a reasonable conclusion as to the adequacy and effectiveness of the Council's control environment.
- 4.8 Based on the work undertaken during 2023/24, there were 84% substantial and above assurances. There were 6 limited assurance reviews: Direct Payments, SharePoint permissions, pension/payroll uplift controls, St Matthews school, School budget monitoring and Financial Assessments. There were 22 priority 1 actions in 2023/24 and 2 carried over from previous years. There have been 12 actions implemented and 12 in progress.

#### 5. **Available Options & Preferred Option**

- 5.1 There are no alternative options as the AGS is a statutory requirement, as stated at paragraph 1.1 above,

#### 6. **Reasons for Recommendations**

- 6.1 The Annual Governance statement is a requirement of the Accounts and Audit Regulations.

#### 7. **Consultation Results**

- 7.1 No external consultation has taken place or is planned for this document.

#### 8. **Report Appendices**

- 8.1 The following documents are to be published with and form part of the report:  
Appendix A    Appendix I: Annual Governance Statement 2023/24

#### 9. **Background Papers**

- 9.1 None

10. **Cross-Cutting Issues and Implications and Sign-Off**

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Legal</b> including Human Rights Act	The Annual Governance Statement is a legal requirement, as stated at paragraph 2.1 above.	John Scarborough, Monitoring Officer, 21 June 2024
<b>Finance</b> and other resources	There are no other specific finance implications related to this report.	Ellis Kelly, Head of Accountancy, 24/6/24
<b>Risk management</b>	There are no specific risk management implications other than the assessment of the Council's risk management arrangements in the AGS.	<i>Margaret Culleton Head of Internal Audit</i>  11/7/24
<b>Executive Director</b>	<i>Clearance/Approval of Report</i>	<i>Asad Mushtaq</i> 27/6/24
<b>Cabinet Member/s</b>	<i>Clearance/Approval of Report</i>	<i>Councillor Christie</i> 15/7/24
<p><b>REPORT AUTHOR:</b> Margaret Culleton Head of Internal Audit Tel No. 020 8545 3149</p> <p>Email. Margaret.culleton@merton.gov.uk</p>		

## ANNUAL GOVERNANCE STATEMENT 2023/24

This statement from the Leader and the Chief Executive provides assurance to all stakeholders that within Merton Council processes and systems have been established, which ensure that decisions are properly made and scrutinised, and that public money is being spent economically and effectively to ensure maximum benefit to all residents of the borough.

### 1. Scope of responsibility

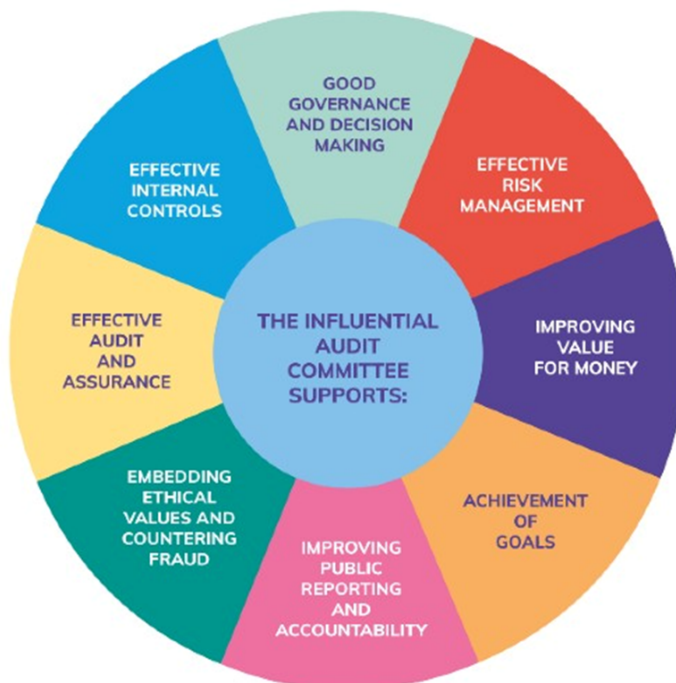
- 1.1. Merton Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently, and effectively. Merton Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.
- 1.2. Merton Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of the effectiveness is informed by the work of senior managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's Annual Report, and by comments made by external auditors and other review agencies and inspectors.
- 1.3. This statement explains how Merton Council has complied with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government* (2016) and the requirements of regulation 6(1b) of the Accounts and Audit Regulations 2015 which requires all relevant bodies to prepare an annual governance statement. The Guidance has identified seven core principles supported by a further 21 sub-principles against which local authorities should measure their compliance. The outcomes of such a review then provide the key issues for Members to consider in relation to the production and content of the AGS (Annual Governance Statement).

### 2 The governance framework

- 2.1. The governance framework comprises the systems and processes, culture, and values by which the authority is directed and the activities through which it accounts to, engages with, and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.
- 2.2. The Governance Framework summarised in this Statement has been in place at the Council for the year ended 31 March 2024 and up to the date of approval of the Statement of Accounts. Some of the key elements of the Authority's governance framework are described below.
- 2.3. The Cipfa Advisory Note 'Understanding the Challenges to Local Authority Governance (March 2022) reinstates the importance of increasing awareness and strengthening governance arrangements following the significant high-profile failures in some local authorities. The Cipfa Advisory Note 'Developing an effective assurance framework in a

local authority' (December 2023) set out the importance of effective governance framework, highlighting the need for organisations to encourage and facilitate a high level of robust internal challenge through audit committees and internal challenge.

*Figure 1 How audit committees add value across the organisation.*



Source: *Audit Committees: Practical Guidance for Local Authorities and Police* (CIPFA (Chartered Institute of Public Finance and Accountancy), 2018)

### Overview of the Councils governance framework

The Full Council	The full council sets the policy and budgetary framework and is responsible for the appointment of the mayor; members of other bodies such as Scrutiny, other Committees, and local committees. It also adopts the Code of Conduct for Councillors, agrees any changes to the Councils constitution and terms of reference for committees, panels, and other member bodies. These meetings are open to the public, except where personal or confidential matters are being discussed.
Cabinet	The Cabinet is the part of the Council that is responsible for most executive decisions. The Cabinet is made up of a maximum of 10 Councillors, including a Leader elected by the Council and a Deputy Leader appointed by the Leader. The Cabinet is required to make decisions which are in line with the Council's overall policies and budget. If it wishes to make a decision that is outside the budget or policy framework, the decision must be referred to the Council as a whole to decide.



Scrutiny and governance oversight	<p><b>The Overview and Scrutiny Committee</b> reviews council policy and can challenge decisions. They hold main Committees to account and in doing so it fulfils a critical role in demonstrating openness and accountability in the Council's decision-making process.</p> <p><b>The Standards and General Purposes Committee</b> are a key component of the Council's corporate governance. They provide an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards. The Council's Standards function reviews governance, promotes, and maintains high standards of conduct by councillors.</p>
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Decision Making	<p>All decisions made in compliance with law and the councils Constitution.</p> <p>A 'Forward Plan' is published, detailing all key decisions to be made by the Council in relation to executive matters.</p> <p>Meetings are held in public, are filmed and available on YouTube platforms.</p> <p>All decisions are published on the Council's website and all the minutes of the committees are published including any reports discussed.</p>
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Risk Management	<p>Risk Management Strategy - reviewed annually.</p> <p>Corporate Strategic Risk Register - reviewed by CMT and Standards and General Purposes committee.</p> <p>Departmental Risk Registers - reviewed quarterly by DMT's.</p>
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Corporate Management Team	<p>Council's senior management team, consisting of the Chief Executive, six Executive Directors and the Monitoring Officer:</p> <p>The Chief Executive (Head of Paid Service) is responsible for all council staff and responsible for deciding how executive decisions are implemented.</p>
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**Constitution**

2.4 The Council's arrangements for decision making and conduct of its statutory functions are contained in its Constitution. The Council's Constitution sets out how decisions are made and the procedures that are followed to evidence open and transparent policy

and decision making and compliance with established policies, procedures, laws, and regulations. The Monitoring Officer completes an annual review of the Council's Constitution and to ensure its aims and principles are given full effect.

- 2.5 The Council's Constitution sets out the roles and responsibilities of Members and senior officers. The role of the corporate management team, including the statutory chief officers, such as the Head of Paid Service, (Chief Executive) and the Section 151 officer, as well as the Monitoring Officer, is to support Members in the policy and decision-making process by providing assessments and advice to ensure that decision making is rigorous, lawful and risk based. The Constitution was updated in 2023/24 to reflect the new department changes. **The Schemes of Management for each department are due to be reviewed and updated in 2024/25. (Included on the action plan).**

### **Corporate Plan**

- 2.6 A new Council Plan, to cover the period 2023 to 2026 was developed during 2022/23 and adopted by Council in April 2023.
- 2.7 The new Council Plan 'Building a Better Merton Together' sets out the ambition for Merton, strategic priorities, guiding principles and delivery objectives. This sets out 3 key objectives.
- Nurturing Civic Pride
  - Building Sustainable Future
  - Creating a Borough of Sport
- 2.8 The Council's Business Plan sets out the Council's priorities for improvement over the next four years and is reviewed every year to ensure that it always reflects the most important improvement priorities. Annual Service Plans were not required for 2023/24 but regular monitoring of existing Corporate and Service Plan indicators was maintained. This includes bi-monthly reporting of progress against relevant priorities to the Leader of the Council by the responsible Cabinet Member supported by senior officers.
- 2.9 The Medium-Term Financial Strategy (MTFS) outlines how much money the Council expect to receive over the next four years and in broad terms what we expect to be spending this on.
- 2.10 The Constitution contains the requirements for consulting Overview and Scrutiny on the budget and business plan. There is an initial phase of scrutiny in November each year, with the second round in January representing the formal consultation of scrutiny on the proposed Business Plan, Budget, and Capital Programme the Business Plan 2023-24 was approved by Overview and Scrutiny and Cabinet 16 January 2023.

### **Performance, and risk management**

- 2.11 The Council has a risk management process to identify, assess and manage those significant risks to the Council's objectives including the risks of its key strategic

partnerships. The risk management process includes a risk management strategy, and corporate and departmental risk registers. Departmental Risk Registers are reviewed quarterly by officers and these and the Key Strategic Risk Register are reviewed quarterly by the Corporate Risk Management Group and CMT and annually by the Standards and General Purposes Committee.

- 2.12 A new Corporate Performance Framework was developed alongside the Council Plan and was implemented during 2023/24. This has included a move to more timely monthly reporting to the Corporate Management team where data availability allows for this. Directorate Plans, with a new format, were reintroduced for 2023/24 alongside a refreshed 'Golden Thread' framework that links the Council Plan through to objective setting for individual employees. Planning arrangements for 2024/25 are being finalised to correspond with a refresh of the Council Plan going to Council in July 2024 and the introduction of a new staff appraisal system, that will strengthen the Golden Thread cascade.
- 2.13 Review and challenge of Performance Indicators are established within ongoing performance management arrangements with monthly, quarterly, and annual returns, including to external bodies. Performance reports are produced in accordance with agreed timescales and include regular reporting of both Key and Service-related Performance Indicators. During 2023/24 the format of this reporting was developed to provide more contextual information from Directors on key performance issues.

### **Council Priorities and MTFS**

- 2.14 On 1 March 2023 Council agreed the Budget 2023/24 and MTFS 2023-27. A balanced budget was set for both 2023/24 and 2024/25 with gaps remaining in future years which need to be addressed.
- 2.15 Reports on progress of the 2023/24 Business Plan were made to Cabinet on 17 July, 18 September, 16 November, 18 December 2023, 15 January 2024 and 19 February 2024 (Business Plan 2024-28 approval).
- 2.16 The provisional settlement for 2024-25 was received on 18 December 2023. A report to Cabinet on 15 January updated the MTFS and set out the details of the provisional settlement. This included the approval of a second tranche of growth proposals and a decision to include an additional 1% increase in Council Tax so that Council Tax will increase by 5% in 2024/25 (3% core and 2% ASC precept) which is the threshold set in the Government's Council Tax Referendum principles.
- 2.17 The Medium-Term Financial Strategy (MTFS) 2024-28, incorporated proposed savings and growth and balanced the budget for 2024-25 was approved by Overview and Scrutiny in January 2024. On 6 March 2024 Council agreed the Budget 2024/25 and MTFS 2024-28. A balanced budget was set for 2024/25.
- 2.18 There are regular opportunities for leadership challenge and discussion through monthly reporting (except for period 1) of financial performance to CMT and the budget setting process and regular reports to the Overview and Scrutiny Committee.
- 2.19 A Capital Strategy and Accompanying Treasury Strategy are published annually as part of the MTFS. These are compliant with the Prudential Code and other relevant

guidance. Future investment is linked to available capital resources and the costs of investment are planned for in the revenue budget. Officers provide robust challenges and make consideration of all options for prudent investment opportunities that are permissible within current guidance or funding constraints.

- 2.20 Budget holders are held accountable for their own budgets through monthly DMT reviews and monthly reviews at CMT. Performance information is reviewed on a quarterly basis at both DMTs and CMT level, with quarterly reporting to the Overview and Scrutiny Committee.
- 2.21 CIPFA published its annual financial resilience index in January 2024 based on published Revenue Outturn data 2022/23. This is a comparative analytical tool used by local authorities to provide an understanding of the Council's financial resilience and risk. It highlights areas requiring additional scrutiny. The current analysis shows that the council has low financial risk, compared to other London Boroughs.
- 2.22 A new Financial Management Code was introduced by CIPFA (Chartered Institute of Public Finance and Accountancy) in 2021/22, setting out the standards for financial management in Local Authorities. The Financial Management (FM) Code is the collective responsibility of elected members, the Section 151 Officer, and the leadership team of the Council to ensure that compliance with the Code is monitored and that the requirements are being sufficiently met. The principles of the FM Code are supported by specific standards and statements of practice which are considered necessary to provide the strong foundation to financially manage the short, medium and long term finances of a local authority and financial resilience to meet demand on services. An assessment against this code was completed and found that overall, the Council demonstrated a strong level of compliance with the Code.

### **Information Governance**

- 2.23 The Council has designated the Executive Director of Innovation and Change as Senior Information Risk Owner. Quarterly Information Security and Governance Board meetings are held to review policy, procedures, and data breaches, with representatives from each department and key officers.
- 2.24 To minimise cyber security threats and to support the efficient delivery of Council services the need to refresh IT security is constant. Annual online Information Security training is mandatory for all staff. This has been identified as an area of concern for the Council and is included on the Council's Key strategic Risk Register.
- 2.25 In 2023/24, there were 135 data breaches logged, this compares to 137 in 2022/23. No breaches were required to be reported to the ICO (Information Commissioner's Office).
- 2.26 The Council's commitment to openness and transparency to publish data is freely available on the Council's website. The Council publishes most of the information specified by the government's Open Data requirements on the Council's Open Data webpage.
- 2.27 Under the Freedom of Information (FOI) Act, a public authority must respond to an FOI request within 20 working days. The council is measured against a target of 90% of FOI

requests dealt with in time. In 2023/24, the total number of requests made were 1,638 of which 1,412 (86.2%) were responded to on time. This compares to 2022/23, total requests 1,414, with 1,175 (83.1%) responded to on time.

- 2.28 The Council is required to respond to Subject Access Requests (SAR) within 1 month. The number of SARs (Subject Access Records) in 2023/24 were 165, of which 105 (63.6%) were responded to on time.
- 2.29 Performance is reported to the Corporate Management Team monthly and is also published on the Council's website via the performance monitoring dashboard.
- 2.30 A report from ICO resulted in an action plan, to be implemented during 2023/24. The action plan covered, includes updating policies, ensuring staff have received training in the last 12 months, updating the Information Access Registers, review complaints procedures. Progress on these actions has been undertaken during 2024/25 and on-going work will be overseen by Information Security and Governance Board.

### **Complaints**

- 2.31 To ensure that concerns or complaints from the public can be raised, the Council has an established formal complaints policy which sets out how complaints can be made, what should be expected and how to appeal, the latest policy was last reviewed in April 2017, and is due to be reviewed in 2024/25 to bring it in line with the Ombudsman guidance that was issued in October 2020.
- 2.32 A new CRM (Customer Relations Management) system to support handling of complaints, went live on 26 June 2023. All complaints processes have been reviewed in developing this system, and once online should be fully compliant with LGSCO guidance. The system has been designed with LGSCO guidance in mind from complaint entry right the way through to responding to complaints, resolving them, learning lessons and reporting.
- 2.33 Council's performance in responding to complaints is reported to the Corporate Management Team monthly and published on the council's performance monitoring dashboard. An annual complaints report is reported to S & GP. The 2022/23 annual report went to S&GP Committee in November 2023.
- 2.34 The number of complaints received by the Council in 2023/24 was 1,127 (887 in 2022/23 and 673 in 2021/22). The number of complaints escalating to stage 2 was 106. The Local Government and Social Care Ombudsman issued 37 Final decisions, of which 12 were upheld (In 2022/23, this was 44 of which 12 were upheld).

### **Working in partnership**

- 2.35 The Council works with a number of other public sector bodies, organisations, and voluntary groups. Partnerships are essential and engrained in the way the Council operates and delivers services. The output and expectations are aligned to Merton Corporate Plan. The Council appoints members to joint committees to collaborate with other councils.

## Statutory Integrated Care System

- 2.36 From 1 July 2022 the South West London NHS Integrated Care System (ICS) Board, became a statutory organisation led by two new bodies: the NHS Integrated Care Board (ICB) and the Integrated Care Partnership (ICP).
- 2.37 The South West London ICS brings together NHS organisations, the boroughs of Croydon, Kingston, Merton, Richmond, Sutton & Wandsworth, Healthwatch organisations, charities, and community voluntary organisations. The aim of the ICS is to achieve four aims: to improve outcomes in population health and healthcare; to tackle inequalities in outcomes, experience, and access; to enhance productivity and value for money; and to help the NHS support broader social and economic development.

### **Shared Service arrangements**

- 2.38 The South London Waste Partnership (SLWP) comprises Sutton, Kingston, Merton and Croydon waste collection and disposal services. There is a joint committee with Councillor representatives from each London Borough. Three meetings were held in 2023/24 to discuss contract performance, communication and engagement and budgets.
- 2.39 The arrangements for the waste collection service will change in April 2025 when the current contract with Veolia will end. During 2023/24 each Council has undertaken their own procurement arrangements. The governance arrangements in place at Merton include the SLWP Board, to oversee the project and regular briefings. The award of the contract was completed in 2023/24, to start from April 2025.
- 2.40 A Regulatory Services Partnership (RSP) was set up between Merton and Richmond Councils on the 1<sup>st</sup> of August 2014, to cover Environmental Health (Commercial and Pollution), Trading Standards and Licencing Team, with Merton as the host. Wandsworth Council joining with a tri-borough service going live from April 2018. The governance arrangements in place are overseen by the Regulatory Services Partnership Management Board, comprising of senior officers from the three boroughs. **An internal Audit review carried out in 2023/24 identified that a collaboration agreement between the 3 councils has not been formally agreed.**
- 2.41 The Council has other Shared Service arrangements with 4 other councils, Kingston, Sutton, Richmond, and Wandsworth for the South London Legal partnership (SLLp), Internal Audit and Fraud. The governance arrangements for these services are managed through Shared Service Boards (SSB) comprising senior officers from each of the Councils. The boards meet at least four times a year. Each board meeting provides an opportunity to focus upon key areas of shared service delivery. Alongside looking at performance, monitoring and supporting key delivery priorities and issues.
- 2.42 The Council has other arrangements in place with other neighbouring Councils. The current joint arrangements include, Payroll service, provided by Kingston for Sutton, Merton, and Kingston. Pension shared service provided by Wandsworth Council; Insurance Services provided by Sutton Council. Merton provide the following services for Sutton Council: Mascot and Bailiff service.

### **Review of effectiveness**

- 2.43 The Statutory Officers and Directors are responsible for conducting an annual review of

the effectiveness of its governance framework, including the system of internal control. The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level.

2.44 The review of effectiveness is informed by the work of senior management within the council who have responsibility for the development and maintenance of the governance environment, the Head of Audit internal report and other review agencies and inspectors.

2.45 The key elements of the review of effectiveness are: -

- a) The Council's internal management processes, such as performance monitoring and reporting, staff performance appraisal framework and monitoring of policies such as corporate complaints and health and safety.
- b) [OBJ] An annual self-assessment completed by Executive Directors and Directors, confirming that governance arrangements and controls have been operating as intended throughout the year.
- c) The annual report of the Head of Internal Audit, to members on the adequacy and effectiveness of the internal control framework, the Council's risk management and governance process. The opinion based on the draft annual report 2023/24 provides reasonable assurance.
- d) The Standards and General Purposes Committee is independent and separate from the scrutiny function delivered through the Overview and Scrutiny Committee and from the decision-making committees. The Standards and General Purposes Committee provides an oversight on a range of core governance and accountability arrangements.
- e) [OBJ] An annual report of the effectiveness of the Standards and General Purposes Committee for 2022/23 was presented to the July 2023 committee. This concluded that the work programme in place had enabled the committee to carry out its function effectively. A skills assessment was completed by members of the committee and found that the committee had a good level of knowledge and experience. An annual report for 2023/24, is due to go to the July 2024 committee for approval.
- f) [OBJ] The Key Strategic Risk Register is presented to CMT on a quarterly basis for discussion, following assessments by DMT's on their departmental risks. The Key Strategic Risk Register has 6 red risks for the Council highlighted in March 2024, with control actions, for: -
  - Implementation of the Climate Action Plan
  - Risk of Cyber-attack on the Council's IT Infrastructure and Systems
  - DSG Safety Valve
  - Annual Savings Programme
  - Corporate Business Plan & Balanced Budget
  - Housing Supply

- g) ~~Obj~~ The Risk Management Strategy and guidance are reviewed annually, by the Standards and General Purposes Committee (October 2023).

### **Issues currently affecting the Council.**

#### **Unaudited Accounts 2022-23**

- 2.46 The Council's external auditors are Ernst and Young. The Council's Accounts 2022/23 have not yet been audited and the Value for Money report has not been provided. This was solely down to resource constraints with our External Auditors. Any governance issues or concerns identified by external audit, will therefore need to be highlighted in next year's AGS (Annual Governance Statement).
- 2.47 The Council is part of the Public Sector Audit Appointments (PSAA) national scheme which appoints the Council's external auditors. Ernst and Young has been appointed to continue acting as the external auditors for five years from 2023-24. Currently, there is significant uncertainty, accounting technicalities and capacity issues in the external audit market, with delays nationally to signing off local authority accounts.

#### **Local government funding**

- 2.48 The local government settlement for 2023-24 announced an average 9% increase in core spending power, to help deal with inflationary and other cost pressures together with extra funding for social care. This social care funding had been earmarked for the adult social care reforms, but these were delayed until October 2025 and resources recycled to support current care pressures. There was no indication of how the delayed adult social care reforms can now be financed, so there is uncertainty as to whether the plans will go ahead. There are delays in the Fair Funding Formula.
- 2.49 The Council received a one-year funding settlement for 2023/24 from the Government which created uncertainty in budget setting for 2024/25, but a further one-year settlement was issued in December 2023 and was reported to the Council as part of the budget report. The lack of certainty over future funding is an area identified in the Council's Medium Term Financial Strategy and in the Key Strategic Risk register as a high risk.
- 2.50 Moving forward to 2025/26 and beyond, the MTFs shows a gap of £10.6m in 2025/26 rising to £15.6m in 2027/28. With economic uncertainty, funding for local government is expected to come under pressure and this will have implications for Council services. The risk remains high as future financial years remain unbalanced and local government funding is uncertain.

#### **Dedicated Schools Grant (DSG)**

- 2.51 Allocations for the Dedicated Schools Grant (DSG) were published alongside the settlement, but the planned policy reforms aimed at reducing the pressure on high



needs budgets have not been published to date. This will be needed to ensure that high needs deficits are eliminated before the end of March 2026, when the statutory override arrangements are due to end.

- 2.52 Funding from government not matching increased costs to schools. Schools are funded according to pupil numbers so falling rolls can lead to reduced economies of scale and class sizes that do not match funding. Approximately 1/3 of LA (Local Authority) maintained schools have set a deficit budget resulting in total deficit budget of nearly £2 million. Total forecast deficit at end of 2023/24 currently sits at £2.456m.
- 2.53 There are significant pressures on the Dedicated Schools Grant (DSG) which are being monitored. The cumulative deficit at the end of 2022/23 was £34.466m and the deficit increased to £41.243m at the end of 2023/24 after the third tranche of Safety Valve funding.
- 2.54 Merton received a DSG Safety Valve support funding of £28.8 million from 2021/22 to 2026/27 from the DfE (Department for Education), (£11.6 million 2021/22, £6.7 million 22/23, £3.575 million for 23/24, £1.675 million for 2024/25 and then £2.624 for each of the next two year). The Council submits a quarterly monitoring report, which shows good progress against all conditions and a significant stabilisation of activity levels, but progress is currently behind the agreed target.

### 3. Conclusion

- 3.1 This annual review has shown that the governance framework is consistent with the principles of the CIPFA (Chartered Institute of Public Finance and Accountancy) / SOLACE best practice framework and the examples of the arrangements that should be in place. In particular, Internal Audit has reviewed the effectiveness of the system of internal control, risk, and governance for 2023/24. The Head of Internal Audit’s opinion based on this work, is that the system of internal control risk and governance are generally sound and effective.

**Table 1 update on actions raised in 2023/24 action plan and progress to date**

<b>1. Review of Standards and General Purposes Terms of Reference</b>
<p><u>Proposed Action:</u> Review Standards and General Purposes Committee Terms of Reference to bring it in line with Cipfa recommendations.</p> <p><u>Update on action:</u> A review of the Committees’ terms of reference against CIPFA’s recommendations was undertaken, as part of the Annual review of the Standards and General Purposes Committee 2022/23, resulting in a number of additions that were recommended to Full Council and subsequently approved in September 2023. The constitution has been updated.</p>
<b>2. Review constitution and Scheme of management (part complete)</b>

Proposed Action: To review constitution to bring it in line with the new corporate management structures. To review the Scheme of delegation.

Update on action: The Constitution has been updated. The Schemes of Management have been updated for Adults, Public Health, Integrated Care department, and will be updated for the other departments in 2024/25.

### **3. Response to the Climate Emergency and failure to reduce carbon emissions in the borough (carry forward)**

Proposed Action: Recruitment to key officers to action climate change agenda.

Update on action: Vacant posts required to be filled in 2024/25.

### **4. Review and update of the Financial Regulations and Procedures (in progress-carried forward)**

Proposed Action: Completion of the review of Financial Regulations and procedures

Update on action: draft revisions have been carried out and will go to full council for approval, in 2024/25.

### **5. Finance Management Code compliance (closed)**

Proposed Action: Results and progress on actions on the review of compliance with the Financial Management Code

Update on action: An assessment against the code was completed and found that overall, the Council demonstrated a strong level of compliance.

### **6. Financial pressure (on-going)**

Proposed action: Regular review and updates on financial planning for areas of increased financial pressure.

#### **Update on action.**

Council approved a balanced budget and council tax for 2024/25 on 6 March 2024. Moving forward to 2025/26 and beyond, the MTFS shows a gap of £10.6m in 2025/26 rising to £15.6m in 2027/28. With economic uncertainty due within the next year, funding for local government is expected to come under pressure and this will have implications for council services. The risk score remains high as future financial years remain unbalanced and local government funding is uncertain.

During 2024/25 there will be enhanced Budget Monitoring with a detailed focus by CMT and Cabinet on the delivery of savings together with mitigations or potential replacements for those that are proving challenging. Regular review of progress on delivery via monthly Budget Monitoring reporting. Budget Managers will be required to

review options if there are income shortfalls.

### 7. Information Governance action plan (closed)

Proposed action: To implement the Information Governance action plans, update polices, training for staff, update information access registers and review complaints procedures.

**Update on action:** Action plan has been implemented, will be reviewed, and progressed as required.

### 8. Complaint's policy (carried forward)

Proposed Action: A review of the Complaints policy to bring it in line with the Ombudsman guidance that was issued in October 2020

**Update on action:** The policy is due to be updated in 2024/25.

### 9. Business Continuity Plans review (carried over)

Proposed Action: Business Continuity Plans to be reviewed in 2023/24.

**Update on action:** Current arrangements for reviewing, updating, and testing departmental Business Continuity plans are currently in progress as part of the corporate resilience work and will be completed in 2024/25.

### 10. Fraud Policies reviews (completed)

Proposed Action: All fraud policies will be reviewed and updated in 2023/24 (Anti-Fraud and Corruption Policy, Whistleblowing and Anti Money Laundering policy).

**Update on action:** Policies reviewed and approved by Standards and General Purposes Committee

## Table 2 Actions for 2024/25

### 1. Review and update departmental Schemes of Management

Proposed Action: Schemes of Management to be reviewed and updated for each department

Responsible Officer: Department leads

**2. Response to the Climate Emergency and failure to reduce carbon emissions in the borough (carried forward)**

Proposed Action: Recruitment to key officers to action climate change agenda

Responsible Officer: Executive Director Housing and Sustainable Development and Executive Director Environment, Civic Pride and Climate

**3. Review and update of the Financial Regulations and Procedures (carried forward)**

Proposed Action: Review and approval of the Financial Regulations and procedures

Responsible Officer: Head of Business Planning

**4. Financial pressure (on-going)**

Proposed Action: During 2024/25 there will be enhanced Budget Monitoring with a detailed focus by CMT and Cabinet on the delivery of savings together with mitigations or potential replacements for those that are proving challenging. Regular review of progress on delivery via monthly Budget Monitoring reporting. Budget Managers will be required to review options if there are income shortfalls

Responsible Officer: Executive Director of Finance and Digital

**5. Complaint's policy (carried forward)**

Proposed Action: A review of the Complaints policy to bring it in line with the Ombudsman guidance that was issued in October 2020

Responsible Officer: Head of Communications

**6. Business Continuity Plans review (carried forward)**

Proposed Action: Business Continuity Plans to be reviewed in 2024/25

Responsible Officer: Executive Director Finance and Digital

**7 Shared Regulatory Partnership agreement**

Proposed Action: The Collaboration Agreement to be finalised and agreed with the final version reflecting the current practices and processes in place for the tri-borough Shared Regulatory Service

Responsible Officer: Head of Regulatory Services

3.2 Progress managing these issues will be monitored in-year and assessed as part of the next annual review.

**4. Statement of the Leader of the Council and the Chief Executive**

- 4.1 We have been advised on the implications of the result of the review of the effectiveness of the governance framework by senior management and the Standards and General Purposes Committee. The arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined above. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.
- 4.2 It is our opinion that the Council's governance arrangements in 2023/24 were sound and provide a robust platform for achieving the Council's priorities and challenges in 2024/25.

Signed on behalf of Merton Council

**Chief Executive:**

**Date**

**Leader:**

**Date**

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<p><b>NAME OF DECISION-MAKER:</b></p> <p>Standards and General Purposes Committee.</p>	<p><b>DATE</b></p> <p>18 July 2024.</p>
<p><b>REPORT/DECISION TITLE</b></p> <p>Standards and General Purposes Committee Annual Report 2023-24.</p>	<p><b>WARD(S)</b></p> <p>All.</p>
<p><b>CHIEF OFFICER</b></p> <p>Signed: Asad Mushtaq Date: 27/6/24</p> <p><i>[Print name and position if the decision is being taken by an individual]</i></p>	<p><b>CABINET/LEAD MEMBER</b></p> <p>Signed: Councillor Christie Date: 15/7/24</p> <p><i>[Print name and position if the decision is being taken by an individual]</i></p>
<p><b>DECISION CLASSIFICATION</b></p> <p>Non-exempt report Non-exempt appendix</p>	<p><b>IS THE FINAL DECISION ON THE RECOMMENDATIONS IN THIS REPORT TO BE MADE AT THIS MEETING?</b></p> <p>Yes/No</p> <p>The report asks the Committee to recommend that Council notes the Annual Report and agrees to its publication and distribution.</p>

**1. Recommendations:**

- A.** To comment on and approve the content of the Annual Report.
- B.** To recommend to Full Council that it notes the Annual Report and agrees to its publication and distribution to relevant stakeholders.

- C. To request that officers progress the appointment of an 'independent member' (audit) and then co-opt that independent member onto the S&GP Committee for the purposes of providing advice on the audit functions of the Standards and General Purposes Committee. To recommend to Full Council the appointment of the Independent Member (following recruitment).

## **2. Purpose of Report and Executive Summary.**

- 2.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) recommends that Audit Committees review and assess themselves annually or seek an external review. That recommendation is captured in the Standards and General Purposes Committee's new terms of reference, which require it to publish an Annual Report on its work and to form a conclusion on the compliance with the CIPFA position statement.
- 2.2 This report introduces the draft Annual Report of the Standards and General Purposes Committee for 2023/24 for consideration (Appendix A). It was drafted on behalf of the Committee by the Head of Internal Audit. The purpose of the Annual Report is to demonstrate to stakeholders the work undertaken by the Standards and General Purposes Committee during 2023/24 in promoting good governance and fulfilling its terms of reference.
- 2.3 The main points of the Annual Report are:
  - (i) The Committee met five times during 2023/24 and was well attended on each occasion.
  - (ii) The Committee continued to provide an independent and high-level focus on the risk management framework; internal control environment; and the integrity of the financial reporting and annual governance processes that underpin good governance and financial standards in the Council;
  - (iii) The draft Annual Report concludes that the audit work of the Committee does comply with the CIPFA position statement, subject to:
    - a) Some outstanding work to complete the appointment of an 'independent member' to the Committee;
    - b) An action to carry forward to 2024/25: "to consider ways in which the Committee might evaluate the impact of its work, in addition to doing so through its Annual Report."

## **3. Links to the Merton Priorities.**

- 3.1 This report relates to each of the Council's strategic priorities, in that the Standards and General Purposes Committee seeks to contribute to Merton's overall success by examining the underpinning governance arrangements for



decision making, the consideration of risk, and the management of operations.

#### **4. Introduction and Background.**

- 4.1 The Standards and General Purposes Committee, in its role as an Audit Committee, is a key part of Merton Council's overall governance framework. That framework is in place to help ensure the Council fulfils its legal duties and makes appropriate use of its legal powers and resources to make a positive difference to the lives of Merton residents. The Committee provides an independent and high-level focus on the adequacy of the Council's governance, risk and control arrangements and plays a vital role in supporting leadership teams and elected representatives to achieve the priorities set out in the Corporate Plan. The Committee receives a number of regular or standing items across each year, as well as specific reports on relevant control, risk, or governance issues.
- 4.2 The Council recognises the benefits of strong internal control, governance and risk management which include:
- Better decision-making through being more aware of control risks.
  - Better governance and the ability to demonstrate it to stakeholders.
  - A reduction in failure, error, and fraud risks.
  - Improvements in corporate governance.
  - Compliance with statutory and regulatory requirements
  - Assurance to all stakeholders that the Council is well run.
- 4.3 The external auditor considers the effectiveness of the Audit Committee when evaluating the Council's governance arrangements. If the external auditor has any significant concerns, they will make recommendations for improvement. Any such recommendations should be included in the Annual Report. However, at the time of writing, the external audit of the Council's draft statement of accounts for the year ended 31 March 2023 has not been completed by the external auditors, Ernst & Young LLP, due to a complex set of factors contributing to audit delays across the local government sector. This situation is allowed for by Regulation 10, paragraph (2a) of the Accounts and Audit Regulations 2015.
- 4.4 The Accounts and Audit Regulations also specify that the audited Statement of Accounts should be published by 30 September each year. As a consequence of the situation described in paragraph 4.3, this was not possible in respect of the 2022/23 accounts and the Council has published a notification to that effect on the Merton website. When the 2022/23 audit has been completed the Standards and General Purposes Committee will consider the results, and the Council will publish the final audited accounts.
- 4.5 Under the Local Audit and Accountability Act 2014, the external auditor is also required to be satisfied that the Council has made proper arrangements for securing economy, efficiency, and effectiveness its use of resources. This

is often referred to as 'the VFM report.' Similarly, the VFM Report is not available at the time of writing.

## **5. Annual Report.**

- 5.1 The Annual Report has been compiled with the principal aims of reviewing the Standards and General Purposes Committee's activities during 2023-24 and providing some forward-looking information, including the Committee's work plan for the next 12 months.
- 5.2 It is planned that the Annual Report will be reported to full Council and then published on the Council's website.
- 5.3 The Annual Report outlines the activity of the Committee during the year 2023-24. This included the external audit submissions that were not affected by the situation described in paragraphs 4.3 – 4.5 above; internal audit updates, fraud updates, HR reports and regular reports on complaints made to the Council through its general complaint's procedure, and its procedures for adult social services and children's social care. The Annual Report also sets out proposed reports for 2024-25, as a work plan for the Committee.
- 5.5 At the Annual council meeting in May 2024 two new councillors were appointed to the Committee, replacing two councillors who left the Committee. Training on the new councillors' roles for this Committee will be provided during 2024/25 and covered in next year's Annual Report.

## **6. CIPFA Guidance 2022.**

- 6.1 CIPFA provided updated guidance for audit committees in 2022. This recommends a number of actions for committees to improve effectiveness. A skills assessment was sent to Committee members in March 2023, using the CIPFA recommended questions. This found that the Committee has a good mix of skills and knowledge.
- 6.2 During 2022/23 a review was undertaken to compare the CIPFA recommended terms of reference to the Standards and General Purposes Committee's terms of reference (in relation to the audit committee element). The review found that the Committee's terms of reference required review and update. The Committee recommended amended terms of reference to full Council on 13 September 2023, and these were approved alongside the 2022-23 Annual Report. The update of the constitution has been completed.
- 6.3 The CIPFA guidance also recommends that audit committees appoint independent advisory members in order to provide external expertise and challenge to the work of the Committee. The Committee has the benefit of two independent persons appointed under the Localism Act 2011, but they discharge a specific role in relation to the ethical standards and conduct of Elected Members. A recommendation to appoint such an independent

member for the audit side was also accepted by full Council on 13 September 2023.

- 6.4 An advertisement is due to be placed on the Merton website in 2024/25 as part of an external recruitment exercise to secure a suitably qualified independent member, to cover the audit items on the agenda. CIPFA recommends that the person be appointed for a term that spans the borough elections to provide continuity outside the political cycle. When the appointment process is complete, the advisory member will be non-voting.

## **7 Member Development**

- 7.1 The CIPFA guidance includes a self-assessment on skills and knowledge, for members of audit committees. This was sent as a survey to 10 members of the Standards and General Purposes Committee in March 2023. Overall, the results indicated a satisfactory level of general knowledge about audit and control issues among the 7 members of the Committee who responded, and good levels of experience in most areas.
- 7.2 An area of training requested by the Standards and General Purposes Committee, was on Risk Management, which was provided to the committee prior to the meeting on the 21 September 2023.

## **8. Available Options & Preferred Option.**

- 8.1 The Annual Report is for comment and approval by the Committee. The Committee's new terms of reference were agreed by the Council in September 2023 and require the Committee to publish an annual report on the work of the committee, including a conclusion on the compliance with the CIPFA Position Statement.

## **9. Reasons for Recommendations**

- 9.1 The recommendations are designed to uphold good practice in this area of corporate governance.

## **10. Consultation Results**

- 10.1 None

## **11. Next Steps & Timetable: Communication and Implementation of the Decision**

- 11.1 The next steps are for the Annual Report to be noted by the full Council and for the Council to agree to the publication and distribution of the Annual Report at Appendix A.

## **12. Report Appendices.**

12.1 The following documents are to be published with and form part of the report:

- Appendix A: Standards and General Purposes Committee Annual Report.

### 13. Background Papers.

13.1 None.

### 14. Cross-Cutting Issues and Implications and Sign-Off.

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Legal</b> including Human Rights Act	The principal purpose of the report is to ask the Committee to comment upon and approve the contents of the Annual Report before recommending it to Full Council. There are no detailed legal implications arising from the report and the Committee is authorised to agree the recommendations in paragraph 1 of the report.	<b>John Scarborough</b> Managing Director South London Legal Partnership 9/7/24
<b>Finance</b> and other resources	There are no financial implications for the purposes of this report.	Ellis Kelly, Head of Accountancy 24/6/24
<b>Equalities</b>	The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no apparent equality impact on end users.	Margaret Culleton Head of Internal Audit 9/7/24
<b>Climate change</b>	This report has no implications for the Council's declared Climate Emergency and Carbon Neutral Ambitions.	Margaret Culleton Head of Internal Audit 9/7/24
<b>Risk management</b>	The Annual Report considers the contribution made by the Committee to effective risk management during 2023-24.	Margaret Culleton Head of Internal Audit 9/7/24
<b>Executive Director</b>	Clearance/Approval of Report	<i>Asad Mushtaq Executive</i>

		<i>Director Finance and Digital 27/6/24</i>
<b>Cabinet Member/s</b>	<i>Clearance/Approval of Report</i>	<i>Councillor Christie 15/7/24</i>
<p><b>REPORT AUTHOR: Margaret Culleton – Head of Internal Audit</b></p> <p>Tel No.        07958 284187</p> <p>Email.         Margaret.Culleton@merton.gov.uk</p>		

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# **London Borough of Merton Standards and General Purposes Committee**

**Annual Report: 2023/24**

**Report drafted by:  
Margaret Culleton – Head of Internal Audit**

**Report issued to:  
Standards and General Purposes Committee – 18  
July 2024**

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## Introduction

I hope that this Annual Report helps to demonstrate to the residents of the Borough and the Council's other stakeholders the vital role that is carried out by the Standards and General Purposes Committee and the contribution that it makes to the Council's overall governance. As with other Council Committees, all scheduled meetings are open to members of the public and I would encourage residents to get involved and see the Committee in action.

I am pleased to note that the Committee has continued to make progress in discharging its responsibility to provide independent assurance on the Council's control environment and governance framework. As outlined in the body of this report, the Committee has been actively engaged with our Internal and External Audit functions and the planning and outcomes of their work. In addition, the Committee has continued to take a keen interest in governance developments such as the Council's participation in the South-West London Fraud Partnership.

During 2023/24 the Committee also oversaw the steps being taken to reduce the level of reliance by the Council on agency and temporary workers, and to achieve better value for money from expenditure in that area.

Finally, I would like to express my gratitude to those officers who have, over the past year, attended the meetings to present and discuss reports and supported the Chair.

**Standards and General Purposes  
Committee Chair**

## **Merton's Standards and General Purposes Committee: Frequently Asked Questions**

### ***What does a Standards and General Purposes Committee do?***

The Standards and General Purposes Committee is a Committee of the Council constituted under Sections 101 and 102 of the Local Government Act 1972. The Committee is a key component of the Council's Corporate Governance.

The Council's Standards function is also undertaken by this Committee.

### ***Why do we need it?***

The Standards and General Purposes Committee has a vital role to play in ensuring that residents of the Borough are getting good quality services and value for money.

- It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
- It provides independent assurance to the Members of Council on the adequacy of the risk management framework and the internal control environment.
- It provides an independent review of the Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes.
- It oversees internal audit and external audit, helping to ensure

efficient and effective assurance arrangements are in place.

### ***When did the Committee meet in 2023/24?***

There were five scheduled meetings on: 27 April, 19 July, 21 September, 9 November and 5 March. The meetings started at 7.15pm (except the 21 September meeting which started at 8.15pm) and lasted approximately 2 hours.

The agenda items discussed are shown in Appendix A and the recording of the meetings, supporting papers and reports are publicly available on the Council's website, [www.merton.gov.uk](http://www.merton.gov.uk).

In 2023/24 the Committee membership consisted of twelve Councillors in proportion to the Council's political composition, and two ex-officio members who sat on the Committee by virtue of their position as Independent Persons under the Standards Regime set out in the Localism Act 2011. In 2024/25 the committee will seek to appoint an independent member to cover the Audit items on the agenda.

### ***What was its main workload in 2023/24?***

A work plan was agreed at the start of the municipal year. 2023/24 was a busy year for the Committee and it achieved oversight of a broad range of areas, including the following:

- Member complaints
- Updates to the Constitution
- The work of the External Auditor

- Internal Audit reports and activities
- The Council's Statement of Accounts
- The Council's use of its RIPA 2000 investigatory powers
- Risk Management.

The Committee's particular successes included:

- Maintaining a comprehensive overview of internal control and governance
- Encouraging the Council to focus on achieving better value for money in its use of agency workers.
- Keeping an overview of the Council's anti-fraud arrangements.

More details of the Committee's activity during 2023/24 are shown in Appendix A. The planned agendas were supplemented by reports where the Committee requested additional information or assurances from management.

### ***What is the role of the Internal Audit function?***

The South West London Audit Partnership (SWLAP) carries out Internal Audit reviews throughout the year on the effectiveness of the Council's governance and internal control arrangements, including risk management. The Head of Internal Audit reports internal audit activity regularly to the Committee and provides an Annual Report on the effectiveness of internal control. The investigation of fraud is carried out by the South West London Fraud Partnership (SWLFP), and they

provide periodic updates to the Committee.

### ***Who is the Council's External Auditor?***

The External Auditor is Ernst & Young LLP. A representative attended three of the five Committee meetings in 2023/24 and reported progress on the annual cycle of external audit work, including planned activities and the fees for their work.

### ***Does the Standards and General Purposes Committee meet best practice standards?***

The functions of the Standards and General Purposes Committee were aligned to those recommended by the Chartered Institute for Public Finance and Accountancy (CIPFA) in its 2022 publication "Audit Committees – Practical Guidance for Local Authorities".

A review of the Committees' terms of reference against CIPFA's recommendations was undertaken in March 2023, resulting in a number of additions that were recommended to Full Council and subsequently approved in September 2023. The constitution has been updated with these changes.

### ***Was the Standards and General Purposes Committee well attended?***

The Committee was well attended throughout the year by its members, and it was well supported by Council officers and others invited. Almost all attendance was in person, rather

than virtual.

**Training for members**

A Member Development programme was agreed by Standards and General Purposes Committee, for all councillors in March 2022.

**Induction training** was provided to all Councillors in May 2022, following the elections.

**Cyber security** Cyber Ninjas training is undertaken on an annual basis.

**Standards and General Purposes**

A 'knowledge and skills assessment' was carried out in March 2023.

Overall, the results indicated a good level of general knowledge about audit and control issues among the 7 members of the Committee who responded, and good levels of experience in most areas.

**Risk Management training.** This was provided to Standards and General Purposes Committee prior to the committee meeting in September 2023.

The Local Government Association commissions and funds meetings for the **London Authority Audit Committee Chairs Forum**. Training was offered to the Chair and Deputy Chair in March 2024 on 'Chairing and Influencing Skills for the Audit Committee' and on 'External Audit matters'. Slides from these presentations were provided to all London Chairs and Deputy Chairs.

**Meetings scheduled for 2024/25**

Details of the meetings planned to take place during 2024/25 are shown in Appendix D with the Committee's provisional work plan.

## Overall conclusion on the work of the Committee.

The Standards and General Purposes Committee's terms of reference require it to publish this Annual Report on the work of the Committee, including a conclusion on the compliance with the [CIPFA Position Statement](#).

The CIPFA Position statement sets out the purpose, model, core functions and membership of the Audit Committee as set out in the table below.

Some comments are provided, principally on an exception's basis, in order to support the conclusion on compliance.

CIPFA's position statement says: [Abridged]	Comments by exception
<p><b>Purpose of the audit committee</b></p>	
<p>Audit committees are a key component of an authority's governance framework. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk, and control arrangements.</p> <p>The committee's role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective.</p> <p>The full council is the body charged with governance. The audit committee may be delegated some governance responsibilities but will be accountable to full council.</p> <p>The committee has oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability.</p>	<p>The requirements in relation to the 'Purpose of the audit committee' were met.</p>
<p><b>Independent and effective</b></p>	
<p>The audit committee should be established so that it is independent of executive decision making and able to provide objective oversight. It is an advisory committee that has sufficient importance in the authority so that its recommendations and opinions carry weight and have influence with the leadership team and those charged with governance.</p> <p>The committee should:</p> <ul style="list-style-type: none"> <li>• be directly accountable to the authority's governing body</li> <li>• be independent of both the executive and the scrutiny functions</li> </ul>	<p>The requirements for the committee's 'Independence and effectiveness' were met, subject to the completion of the outstanding actions to co-opt independent members to the committee.</p>

<b>CIPFA's position statement says: [Abridged]</b>	<b>Comments by exception</b>
<ul style="list-style-type: none"> <li>• have rights of access to and constructive engagement with other committees/functions, for example scrutiny and service committees, corporate risk management boards and other strategic groups</li> <li>• have rights to request reports and seek assurances from relevant officers</li> <li>• be of an appropriate size to operate as a cadre of experienced, trained committee members. Large committees should be avoided.</li> </ul> <p>Audit committees should include co-opted independent members in accordance with the appropriate legislation.</p> <p>Where there is no legislative direction to include co-opted independent members, CIPFA recommends that each authority audit committee should include at least two co-opted independent members to provide appropriate technical expertise.</p>	
<p><b>Core functions</b></p>	
<p>The core functions of the audit committee are to provide oversight of a range of core governance and accountability arrangements, responses to the recommendations of assurance providers and helping to ensure robust arrangements are maintained.</p> <p>The specific responsibilities include:</p>	
<p><b>Maintenance of governance, risk, and control arrangements</b></p> <ul style="list-style-type: none"> <li>• Support a comprehensive understanding of governance across the organisation and among all those charged with governance, fulfilling the principles of good governance.</li> <li>• Consider the effectiveness of the authority's risk management arrangements. It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the [Council] and its collaborative arrangements.</li> <li>• Monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics, and managing the authority's exposure to the risks of fraud and corruption.</li> </ul>	<p>The requirements for the 'Maintenance of governance, risk and control arrangements were met.</p>

<b>CIPFA's position statement says: [Abridged]</b>	<b>Comments by exception</b>
<p><b>Financial and governance reporting</b></p> <ul style="list-style-type: none"> <li>• Be satisfied that the authority's accountability statements, including the annual governance statement, properly reflect the risk environment, and any actions required to improve it, and demonstrate how governance supports the achievement of the authority's objectives.</li> <li>• Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.</li> </ul>	<p>The requirements for 'Financial and governance reporting' were met, subject to noting that, at the time of writing, the external audit of the Council's draft statement of accounts for the year ended 31 March 2022 had not been completed by the external auditors, Ernst &amp; Young LLP.</p>
<p><b>Establishing appropriate and effective arrangements for audit and assurance</b></p> <ul style="list-style-type: none"> <li>• Consider the arrangements in place to secure adequate assurance across the [Council's] full range of operations and collaborations with other entities.</li> <li>• In relation to the authority's internal audit functions: <ul style="list-style-type: none"> <li>- oversee its independence, objectivity, performance, and conformance to professional standards</li> <li>- support effective arrangements for internal audit</li> <li>- promote the effective use of internal audit within the assurance framework.</li> </ul> </li> <li>• Consider the opinion, reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control, and monitor management action in response to the issues raised by external audit.</li> <li>• Contribute to the operation of efficient and effective external audit arrangements, supporting the independence of auditors and promoting audit quality.</li> <li>• Support effective relationships between all providers of assurance, audits and inspections, and the organisation, encouraging openness to challenge, review, and accountability.</li> </ul>	<p>The requirements for 'Establishing appropriate and effective arrangements for audit and assurance' were met, noting that only a proportionate amount of the Council's arrangements can be considered by the committee in a single year.</p>

<b>CIPFA's position statement says: [Abridged]</b>	<b>Comments by exception</b>
<p><b>Audit committee membership</b></p> <p>To provide the level of expertise and understanding required of the committee, and to have an appropriate level of influence within the authority, the members of the committee will need to be of high calibre.</p> <p>When selecting elected representatives to be on the committee or when co-opting independent members, aptitude should be considered alongside relevant knowledge, skills, and experience.</p> <p>Characteristics of audit committee membership:</p> <ul style="list-style-type: none"> <li>• A membership that is trained to fulfil their role so that members are objective, have an inquiring and independent approach, and are knowledgeable.</li> <li>• A membership that promotes good governance principles, identifying ways that better governance arrangement can help achieve the organisation's objectives.</li> <li>• A strong, independently minded chair, displaying a depth of knowledge, skills, and interest. There are many personal skills needed to be an effective chair, but key to these are: <ul style="list-style-type: none"> <li>- promoting apolitical open discussion</li> <li>- managing meetings to cover all business and encouraging a candid approach from all participants</li> <li>- maintaining the focus of the committee on matters of greatest priority.</li> </ul> </li> <li>• Willingness to operate in an apolitical manner.</li> <li>• Unbiased attitudes – treating auditors, the executive and management fairly.</li> <li>• The ability to challenge the executive and senior managers when required.</li> <li>• Knowledge, expertise and interest in the work of the committee.</li> </ul> <p>While expertise in the areas within the remit of the committee is very helpful, the attitude of committee members and willingness to have appropriate training are of equal importance.</p> <p>The appointment of co-opted independent members on the committee should consider the overall knowledge and expertise of the existing members.</p>	<p>The requirements for 'Audit committee membership' were met, subject, as above, to the outstanding actions to co-opt independent members to the committee.</p>
<p><b>Engagement and outputs</b></p> <p>The audit committee should be established and supported to enable it to address the full range of</p>	<p>The requirements for the 'Engagement and outputs' were met, subject to the requirement to publish this Annual Report.</p>



<b>CIPFA's position statement says: [Abridged]</b>	<b>Comments by exception</b>
<p>responsibilities within its terms of reference and to generate planned outputs.</p> <p>To discharge its responsibilities effectively, the committee should:</p> <ul style="list-style-type: none"> <li>• meet regularly, at least four times a year, and have a clear policy on those items to be considered in private and those to be considered in public.</li> <li>• be able to meet privately and separately with the external auditor and with the Head of Internal Audit.</li> <li>• include, as regular attendees, the chief finance officer(s), the Chief Executive, the Head of Internal Audit and the appointed external auditor; other attendees may include the Monitoring Officer. These officers should also be able to access the committee members, or the chair, as required.</li> <li>• have the right to call on any other officers or agencies of the authority as required.</li> <li>• support transparency, reporting regularly on its work to those charged with governance.</li> <li>• report annually on how the committee has complied with the position statement, discharged its responsibilities, and include an assessment of its performance. The report should be available to the public.</li> </ul>	
<p><b>Impact</b></p> <p>As a non-executive body, the influence of the audit committee depends not only on the effective performance of its role, but also on its engagement with the leadership team and those charged with governance.</p> <p>The committee should evaluate its impact and identify areas for improvement.</p>	<p>The requirements in this area were met, subject to carrying forward to 2024/25 a suggested action to consider ways in which the Committee might evaluate the impact of its work, in addition to doing so through this Annual Report.</p>

### Overall Conclusion.

The overall conclusion of this draft Annual Report is that the audit work of the Committee does comply with the CIPFA position statement, subject to:

- a) The outstanding work to complete the appointment of an 'independent member' to the Committee.

- b) An action to carry forward to 2024/25, to consider ways in which the Committee might evaluate the impact of its work, in addition to doing so through this Annual Report.

## Appendix A

### The Standards and General Purposes Committee's 'Audit Committee Activity': 2023-24

#### Meeting: 27 April 2023

**External Audit 2021-22 Final Audit Results Report for Council and Pension Fund.** An annual report bringing together all the external auditor's work over the year.

**External Audit Plans for Council and Pension Fund Accounts.** An overview of external audit plans and the fee for the 2022/23 audit before detailed planning work commenced.

**Internal Audit Plan.** The Head of Internal Audit's risk-based audit plan 2023/24, designed to implement the audit strategy.

**Whistleblowing Policy and Anti-Money Laundering Policy Review.** An update on a review of the Whistleblowing arrangements and to minimise the Council's risk of exposure to Money Laundering.

**Fraud Update Report.** A report from SWLFP to provide the Committee with assurance over the arrangements for providing protection against fraud and corruption.

**Process Review - Nominating Honorary Aldermen.** A report for a discussion about the procedure for awarding Honorary Alderman/woman status to retiring Councillors.

**Freedom of the Borough.** To establish a member working group to consider any nominations for awarding Freeperson of the Borough Status.

**Remuneration of Councillors.** The Independent Remuneration Panel's report to help in deciding whether to recommend any changes to the current members' allowances scheme.

**Amendments to the Constitution.** To consider changes to the Constitution to and update sections with current working practice.

**Member Complaints.** An update on complaints received about Councillors since September 2022.

**Work Programme.** Forward work plan

### Meeting: 19 July 2023

**Annual Governance Statement.** An overview of the Council's governance arrangements and assurance regarding their adequacy and effectiveness.

**Internal Audit Annual Report.** Head of Internal Audit's opinion on the Council's internal control environment and the Annual Review of Effectiveness of Internal Audit.

**Standards and General Purposes Annual Report.** A report to demonstrate the work undertaken by the Standards and General Purposes Committee over the previous 12 months in promoting good governance and fulfilling its terms of reference.

**Recommendations from the SGP Working Group on Remunerations.** The recommendations of the working group to inform recommendations to Full Council about member allowances.

**Recommendations from the SGP Working Group on Freedom of the Borough.** The recommendations of the working group to consider nominations for the award of Freedom of the Borough.

**Recommendations from the SGP Working Group on Awards.** The recommendations of the working group to consider the process for nominating and awarding Honorary Alderperson and Freedom of the Borough status.

**Annual Complaints Report 2021/22.** Reports on complaints made to the Council through its general complaint's procedure, as well as complaints about adult social services and children's social care.

**Local Government Act 1972, Section 85 (1): Approval of Absence.** A request for approval for absence by reason of ill-health.

**Work Programme.** Forward work plan.

### Meeting: 21 September 2023

**Training session prior to meeting: Risk Management**

**HR Update - Temporary and Contract Staff and Demographics.** An update on the level of reliance on agency and temporary staff, including the management tiers most affected, and the steps being taken to address this.

**Work Programme.** Forward work plan.

**Meeting: 9 November 2023**

**Annual Gifts and Hospitality Report (Members).** The yearly update on the registration by Councillors of gifts and hospitality, and the reasons for their acceptance.

**Annual Gifts and Hospitality Report (Officers).** The yearly update on the registration by officers of gifts and hospitality, and the reasons for their acceptance.

**Review of Polling Districts and Polling Places.** Proposals about existing polling stations and polling stations likely to be used within Merton.

**Annual Complaints Report.** The Corporate Complaints report for 2022/23 along with the reports relating to Adult Social Care and Children's Social Care covering the same time period.

**External Audit of London Borough of Merton 2022/23.** A verbal update from the External Auditor, highlighting the wait for DLUHC (Department for Levelling Up, Housing and Communities) to give guidance on the audit market and what's happening for 2022/23. Also how to restore a regular timeframe in 2023/24.

**Merton Pension Fund External Audit Plan 2022/23.** A report to provide the Committee with a basis to review the proposed External Audit approach and scope for the 2022/23.

**Internal Audit Progress Report.** The Head of Internal Audit's report summarising progress in delivering the Annual Audit Plan agreed by the Committee, up to October 2023.

**Fraud Update Report.** A report to provide the Committee with assurance about the arrangements for protecting the Council and residents against fraud and corruption.

**Progress Report on Risk Management.** A report on progress with risk management, including details of the Key Strategic Risks faced by the Council.

**Work Programme.** Forward work plan.

**Meeting: 5 March 2024**

**Review of RIPA Policy.** A report to update Members about authorisations since March 2022 and seeking approval for the revised RIPA Policy.

**Polling Places.** A request for approval for two polling places to replace other polling places.

**External Audit - Value for Money Report.** Note: no report on the system and no minutes.

**Internal Audit Progress Report.** The Head of Internal Audit's report summarising progress in delivering the Annual Audit Plan agreed by the Committee, up to February 2024.

**Internal Audit Plan 2024-25.** The Head of Internal Audit's risk-based audit plan 2023/24, designed to implement the audit strategy.

**Fraud Update.** An update on the anti-fraud activity carried out during 2023/24 up to 31 January 2024, and the indicative Fraud Plan for 2024/25.

**Report on the use of temporary workers and consultants** – A report about progress in reducing the use of agency workers; the initiatives for promoting apprenticeships; the use of the apprenticeship levy; and actions being taken to promote Merton Council as an employer of choice.

**Work Programme.** Forward work plan.

## Appendix B

### Planned Meeting Dates & Provisional Work Plan: 2024/25

<b>Meeting: 18 July 2024</b>
Annual Governance Statement
Internal Audit Annual Report
Fraud Update Report
Annual Report of Standards and General Purposes Committee
Complaints Report, including complaints against Members
Work Programme

<b>Meeting: 19 September 2024</b>
HR Update- Temporary and Contract Staff and Demographics update
Revisions to Contract Standing Orders
Corporate Complaints report
Complaints against Members annual update
Recruitment of Independent Member
Annual Gifts and Hospitality report (Members, including independent and co-opted members)
Annual Gifts and Hospitality report (Officers)
Annual review of Risk management Strategy and Strategic Risk Register
Work programme

<b>Meeting: November 2024</b>
External Audit progress reports
Internal Audit progress report on annual audit plan
Final Accounts
Fraud Update Report
Appointment of Independent Member

Annual Gifts and Hospitality report (officers)
Annual review of Risk management Strategy and Strategic Risk Register
Annual Complaints Report
Work programme

<b>Meeting: March 2025</b>
Update on RIPA authorisations
External Audit progress report
External Audit Plans for Council and Pension Fund accounts
Internal Audit Plan
Internal Audit progress report
Fraud Update Report
HR update report -Temporary and Contract Staff update
Work programme

Areas on the Work Programme that were to be added as required:

- Polling Places (last done February 2024)
- Constitutional amendments
- Review of members' interests
- Member Development Update
- Independent / co-opted members
- Reports on dispensations issued by Monitoring Officer
- Report on payment exceeding £1,000 as a result of maladministration as directed by the LGO.
- Revisions to Contract Standing Orders (last done July 2023)
- Freedom of the Borough (recommendations from working group).





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# Agenda Item 6

<b>Name of decision-maker</b> Standards and General Purposes Committee	<b>DATE: 18 July 2024</b>
<b>REPORT/DECISION TITLE</b> Internal Audit Annual Report	<b>WARD(S): All</b>
<b>CHIEF OFFICER</b> Asad Mushtaq Executive Director of Finance and Digital  Signed Asad Mushtaq Date: 27/6/24	<b>CABINET/LEAD MEMBER</b> Councillor Billy Christie  Signed: Councillor Christie Date: 15/7/24
<b>DECISION CLASSIFICATION</b> Non-exempt report Non-exempt appendices	<b>IS THE FINAL DECISION ON THE RECOMMENDATIONS IN THIS REPORT TO BE MADE AT THIS MEETING?</b>  Yes

1. **Recommendation:**

- A. That Committee review and comment on the Internal Audit Annual Report 2023/24
- 

2. **Purpose of Report and Executive Summary**

- 2.1 The council has a responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control, risk, and governance. The review of effectiveness of the system of internal control is informed by the work of the internal auditors. This is detailed in the Accounts and Audit Regulations 2015

**Regulation 5** requires an effective internal audit to evaluate the effectiveness of its risk management, control, and governance processes, and taking into account public sector internal auditing standards or guidance.

**Regulation 6** requires bodies to review the effectiveness of the system of internal audit once a year and for the findings of the review to be considered by a committee of the body, or by the body as a whole, as part of the consideration of the system of internal control referred to in regulation 5.

- 2.2 The guidance accompanying the Regulations states that in practice councils are likely to take assurance from the work of Internal Audit when discharging their responsibility for maintaining and reviewing the system of internal control.

External Audit and other review agencies and inspectorates are also potential sources of assurance.

- 2.3 This report supports the Annual Governance Statement, which is required to support the Councils Annual accounts.

### **3 Links to the Merton Priorities**

- 3.1 This report relates to all the Council's Strategic priorities:

- Nurturing Civic Pride
- Building a Sustainable Future
- Borough of Sport

- 3.2 The Council recognises the benefits of strong internal control, governance and risk gives us an ability to achieve all our strategic priorities, with: -

- Better decision making as we are more aware of control risks.
- Better governance and the ability to demonstrate it to our stakeholders.
- Reduction in failure, error, and fraud risks
- Improvement in our corporate governance
- Compliance with statutory and regulatory requirements

### **4. Introduction and Background**

- 4.1 The Annual Report summarises the work of Internal Audit in 2023/24 and provides the Head of Audit opinion on the adequacy and effectiveness of the internal control environment.

- 4.2 The overall opinion is that the internal control environment is satisfactory. During 2023/24 84% of Internal Audit reviews provided substantial or above levels of assurance. This is an increase from 2022/23 from 79% substantial assurance.

- 4.3 There have been 6 limited assurance reports issued in 2023/24, with a total 22 Priority 1 actions recommended. We had 2 priority 1 actions carried over from previous years, giving a total of 24 PI's, of which 12 have been implemented and 12 are currently in progress. We have received good engagement with officers during 2023/24 on outstanding audit actions and significant progress has been made to implement these.

### **5 Head of Audit Assurance**

- 5.1 The Head of Audit is required to provide the Council with an opinion on the adequacy and effectiveness of the internal control environment. In the Annual Report on the work of Internal Audit during 2023/24 the:

**Head of Internal Audit is satisfied that sufficient internal audit work has been undertaken to draw a reasonable conclusion as to the adequacy and effectiveness of the Council's control, risk, and governance environment.**

- 5.2 The report sets out a framework for Internal Audit to provide an annual report for 2023/24. The Local Government Act 1972 and subsequent legislation sets out a

duty for Merton and other Councils to make arrangements for the proper administration of their financial affairs. The provision of an Internal Audit service is integral to the financial management of Merton and assists in the discharge of these statutory duties.

5.3 This report is designed to meet the requirements of the Accounts and Audit Regulations 2015.

6. **Available Options & Preferred Option**

6.1 There are no alternative options as the annual report is a key component of the Annual Governance Statement, which is a statutory requirement.

7. **Reasons for Recommendations**

7.1 The recommendations are required by Accounts and Audit Regulations.

8. **Consultation Results**

8.1 n/a

9. **Report Appendices**

9.1 The following documents are to be published with and form part of the report:

- Appendix A Annual Report
- Appendix B Audit Assurance Opinions 2023/24

10. **Background Papers**

10.1 None

11. **Cross-Cutting Issues and Implications and Sign-Off**

Issue	Implications	Sign-off
<p><b>Legal</b> including Human Rights Act</p>	<p>The report sets out a framework for Internal Audit to provide an annual report for 2023/24.</p> <p>The Local Government Act 1972 and subsequent legislation sets out a duty for the Council to make arrangements for the proper administration of its financial affairs.</p> <p>The provision of an Internal Audit service is integral to the financial management of the Council and assists in the discharge of these statutory duties.</p>	<p>John Scarborough, Monitoring Officer, 21 June 2024</p>

	This report is designed to meet the requirements of the Accounts and Audit Regulations 2015.	
<b>Finance</b> and other resources	The internal audit work for 2023/24 was completed within the revenue budget allocated to the service.	Ellis Kelly, Head of Accountancy, 24/6/24
<b>Risk Management</b>	The Audit Plan has a risk assessment formula built into the process. This takes such aspects as expenditure, income, and previous audit findings into account and calculates priorities and the frequency of the audit	<i>Margaret Culleton Head of Internal Audit</i>  11/7/24
<b>Executive Director</b>	<i>Clearance/Approval of Report</i>	Asad Mushtaq 26/7/24
<b>Cabinet Member/s</b>	<i>Clearance/Approval of Report</i>	<i>Councillor Christie 15/7/24</i>
<p><b>REPORT AUTHOR:</b> Margaret Culleton Head of Internal Audit Tel No. 020 8545 3149 Email. Margaret.culleton@merton.gov.uk</p>		

# **LONDON BOROUGH OF MERTON**

## **INTERNAL AUDIT ANNUAL REPORT YEAR ENDING 31<sup>ST</sup> MARCH 2024**

## 1. Head of Audit Assurance Opinion

1.1 As Head of Internal Audit for the London Borough of Merton, I am required to provide the Council with an opinion on the adequacy and effectiveness of the internal control environment: I base my opinion upon:

- All internal audit assignments undertaken during the year.
- Any follow up action taken in respect of previous audit work.
- Any significant recommendations not accepted by management and the consequent risks.
- Matters arising from previous reports to the Standards and General Purposes Committee
- Any limitations, which may have been placed on the scope of the internal audit.

### Opinion

**I am satisfied that sufficient internal audit work has been undertaken to allow me to draw a reasonable conclusion as to the adequacy and effectiveness of the Council's control, risk, and governance environment. In giving this opinion, it should be noted that assurance can never be absolute and, therefore, only reasonable assurance can be provided, subject to the limited assurance opinions detailed in this report.**

1.2 Where weaknesses in controls have been identified, action plans are in place. It is important that departments ensure that audit actions are implemented in a timely manner to ensure effective controls are in place.

## 2 The Internal Audit Assurance Framework

2.1. A key responsibility of Internal Audit is to give the organisation assurances about the levels of internal control being exercised in the areas of risk and in particular, where there are transactions that are considered "material" to the Council.

2.2. In order to give such an assurance, a balanced programme of Internal Audit reviews is constructed each year. This Annual Internal Audit Plan contains elements of all the Council's activities selected using a "Risk Based" approach. There are many tools used to achieve a balanced plan including undertaking systems reviews, regularity audits (e.g., schools), contract and computer audit, fraud and misappropriation reviews and an annual review of major financial systems such as the main accounting system, payroll, Council Tax and Housing Benefits.



2.3 For each audit carried out, Internal Audit provides an opinion as to the quality of the control environment in the following processes:

- Risks have been identified, evaluated, and managed.
- Internal controls reduce risks to acceptable levels.
- Action is being taken to promptly remedy significant failings or weaknesses.
- The current levels of monitoring are sufficient.

2.4 Each audit is given an opinion based on 4 levels of assurance depending on the conclusions reached and the evidence to support those conclusions. Members and management should note that the assurance level is an opinion of controls in operation at the time of the audit. The auditor will agree with management a number of recommendations which, when implemented, will result in a reduction of the exposure to risk. Each recommendation is given a priority ranking and an implementation date and these are monitored on a regular basis by the Internal Audit team. Priority 1 recommendations are defined as being those where major issues have been identified for the attention of senior management.

Levels of assurance	
<b>Full Assurance</b>	There is a sound system of control designed to achieve the system objectives and manage the risks to achieving those objectives. No weaknesses have been identified.
<b>Substantial Assurance</b>	Whilst there is a largely sound system of control, there are some minor weaknesses, which may put a limited number of the system objectives at risk.
<b>Limited Assurance</b>	There are significant weaknesses in key control areas, which put the system objectives at risk.
<b>No Assurance</b>	Control is weak, leaving the system open to material error or abuse.

PRIORITY OF RECOMMENDATIONS	
<b>1</b>	Major issues that we consider need to be brought to the attention of senior management.
<b>2</b>	Important issues which should be addressed by management in their areas of responsibility to avoid exposure to significant risk.
<b>3</b>	Minor issues where the risk is low. Action is advised to enhance control or improve operational efficiency.

2.5. In addition, each recommendation emanating from the audit review is given a priority rating of 1, 2 or 3 for implementation, with priority 1 being a high risk requiring immediate attention. All recommendations are followed up by Internal Audit to ensure that they have been implemented.

- 2.6. The audit plan for 2023/24 covered those area of high fraud risk, as identified through the Council's own assessments and through information from CIPFA, and other sources, where fraud risks are highlighted. Examples of these are procurement cards, business rates, and direct payments.
- 2.7 These audits reviewed the controls in place, although no fraud was identified in any of these reviews, a number of recommendations were made to improve the controls.

### **3 Planned coverage and output**

- 3.1 The plan was compiled with reference to the Council's Strategic Risk register and following discussions with each departmental management teams (DMTs). This ensured that audit work was focused on the Council's key risks and targeted areas where senior managers required independent assurance over controls in their service areas.
- 3.2 The Council's risk profile is constantly changing. Therefore, Internal Audit and the internal audit plan need to be flexible to be able to respond to these changing and emerging risks. The overall number of reports will be subject to change over the course of the year as audits may be deferred or no longer required. However, additional reviews may be added if concerns are raised about a specific control area, or existing reviews may have their budgets increased.
- 3.3 The Internal Audit function is conscious of the significant pressure on resources that the Council is facing and has continued to identify where we can support management through looking to identify potential efficiencies and making recommendations for possibly fewer but better controls wherever possible.

### **4. Internal Audit Assurances 2023/24**

- 4.1. There were 38 audits undertaken during 2023/24 of these 32 providing a reasonable assurance (84%) or above.
- 4.2 There were 6 limited assurances (16%). A full list of the assurances can be found in Appendix A. Action Plans for improvements are in place for all audits.

#### **Financial systems**

- 4.3 There were six key financial systems reviewed this year, which all received a Reasonable assurance, except for pension/payroll uplifts.

**Table 1 Key Financial systems audit assurance for last 3 years**

Financial System	Assurance 2021/22	Assurance 2022/23	2023/24*
Accounts Payable	Substantial	Substantial	Reasonable
Cash and Bank	Substantial	Substantial	Reasonable
Pension Administration	Substantial		Reasonable
Business Rates			Reasonable
Accounts Receivable			Reasonable
Pension/Payroll uplift controls			Limited
Payroll (iTrent)	Substantial	Substantial	
General Ledger		Substantial	
Capital	Substantial		

\*Assurance ratings changed in 2023/24- 'substantial' is now called 'reasonable'.

4.4 The key financial systems audits found that the controls in place were effective. Some recommendations have been made to further enhance controls, these covered; regular reconciliations to the General Ledger, removing leavers access and completion of an annual review of direct debits. All recommended actions have been accepted and implemented.

4.5 A review was undertaken on the controls in place for the shared pension service and payroll service in relation to reconciliations and checks in place, to ensure correct payments are made in relation to pension set up and annual uplifts. The audit received a limited assurance, and a number of actions were recommended to improve these controls.

#### **Duplicate Payment matches**

4.6 Internal Audit undertake quarterly Duplicate Payment matches on the Councils Accounts Payable system, by Internal Audit on a quarterly basis.

4.7 The 2023/24 exercise covered 12 months from April 2023 to March 2024. Based on our results and comments from the Head of Transactional Services, a total value of £11,470.36 duplicate payments, made up of a total of 9 transactions were identified. A summary of the duplicates is detailed below.

#### *Confirmed Duplicate Transactions 2023/24*

Duplicate and actions taken	Number of Transactions	Duplicated identified April 2021 to March 2022.
Confirmed duplicate account credited	4	£ 6,623.57
Confirmed duplicate, refund Waiting confirmation of refund/ to be recovered	5	£ 4,846.79
<b>Total Duplicates Payments</b>	<b>9</b>	<b>£ 11,470.36</b>

- 4.8 The Internal team will continue to undertake quarterly duplicate payment matches in 2024/25.

### **School Audits**

- 4.9 School audits are designed to assess their corporate governance, compliance with the Council's Scheme for Financing Schools, and financial management arrangements. During 2023/24 the following schools were audited:

- St Matthews Primary and Nursery School
- Joseph Hood Primary school
- Poplar Primary School
- Hatfeild Primary school
- Priory School
- St Thomas of Canterbury School

- 4.10 All schools, except St Matthews, received a Reasonable Assurance opinion. Common findings from these reviews related to.

- Non-Adherence to Scheme of Finance for contracts
- Monthly monitoring meetings between the School Business Manager and the Headteacher to discuss budget and payroll reconciliations.
- Budget monitoring reports provided to Governors supported by system generated FMS reports for verification.
- Official order not raised and authorised prior to expenditure.

- 4.11 All actions from the school reviews are sent to the Headteacher and Chair of Governors for approval and implementation. A newsletter is issued to all schools to highlight areas of control weaknesses identified on audit reviews during the year and areas of recommended good practice,

## **5. Key Areas for 2023/24**

- 5.1 Internal Audit has continued to improve their level of engagement with all levels of management. This has been achieved by attending regular DMT's to discuss audit progress and meeting with key stakeholders prior to the start of the audit to agree the audit brief.
- 5.2 When the audit plan is set, discussions are held with all key people for input; this engagement has enabled the Internal Audit team to focus on the key areas of risk as well as work closely with management to formulate actions to address areas where improvement is required.
- 5.3 As set out in the above section we have identified areas of good practice and an effective control environment across the majority of the systems, processes and establishments reviewed. This includes the Council's key financial systems.
- 5.4 However there are a number of areas where further improvements are required to strengthen the control environment and we have summarised the key issues below.

### Priority 1 actions

- 5.5 During 2023/24 Internal Audit made 238 recommended improvement actions, including 22 Priority 1 (P1s) actions. There were also 2 P1's carried over from previous years, giving a total of 24 P1's, of these 12 have been actioned. Management has responded to each of our recommendations stating the action they will take and when it will be implemented.
- 5.6 We currently have 12 Priority 1 actions outstanding, 2 P1's for audits completed prior to 2023/24 and 10 P1's for reports issued since April 2023.

**Table 2: Limited Assurance/Priority 1 audits 2023/24**

<b>Audit</b>	<b>Number of Priority 1 recommendations</b>	<b>Actions outstanding</b>
Regulatory Services	2	2
Financial Assessment	3	3
Homes for Ukraine	1	1
School Budget monitoring	5	1
Direct Payments - Adults	2	0
St Matthews primary school	3	0
Retention set up O365	2	1
Poplar Primary School	1	0
St Thomas of Canterbury	1	0
Pension/payroll controls	2	2
<b>Total P1's</b>	<b>22</b>	<b>10</b>

**Table 3 Limited Assurance reports issued prior to 2023/24 with outstanding Priority 1 audit actions.**

<b>Audit</b>	<b>Final report date</b>	<b>Number of Priority 1 recommendations</b>	<b>No of P1's outstanding</b>
Transport Fleet Management	20.12.21	1	1
Planning Enforcement	23.3.23	4	1
<b>Total</b>		<b>4</b>	<b>2</b>

### **Key issues from previous years (actions not yet implemented)**

#### **5.4 Planning Enforcement- 1 P1 outstanding**

**Issue:** The Local Enforcement Plan should be finalised and approved by Head of Development Management & Building Control as soon as possible and thereafter approved by Cabinet.

**Update:** The draft Local Enforcement Plan is now ready. It will be shared with the national Planning Advisory Service (under the Local Government Association) during a peer challenge of the service in September 2024 to see if any further amendments and improvements are recommended. It will then be placed on the forward plan for the next available meetings of the LSG, Cabinet and Council to approve this for Development Management purposes.

#### 5.5 **Transport Fleet Management (Substantial assurance – 1 P1 outstanding)**

**Issue:** LBM does not currently have a formal Fleet Management Strategy. A formal Fleet Management Strategy should be developed to identify LBM's fleet requirements both currently and in the future. Once a formal strategy has been developed, management should monitor performance in delivering the actions contained within the strategy, and against agreed performance management standards.

**Updated Action:** The service is currently drafting a strategy (project initiated) for the review of fleet and vehicle options with assistance of an external expertise, focusing on how to transition to and deliver fleet requirements and a decarbonised vehicle solution to meet service demands.

Additionally, the current service and maintenance requirements shall continue to 2025, but the service has reviewed and drafted a comprehensive and new specification for the future service provider in the management of the Council's workshop, providing a range of solutions from regular maintenance to vehicle procurement. Implementation is April 2025.

#### **Key Issues 2023/24**

#### 5.6 **Regulatory Services (2 P1's outstanding)**

**Issues:** The RSP Scheme of Management should be reviewed and updated to include the tri-borough borough management arrangements. As the Scheme of Management works alongside the Collaboration Agreement, the review of the scheme should be undertaken and agreed in line with the RSP Collaboration Agreement. The Collaboration Agreement should be finalised and agreed with the final version reflecting the current practices and processes in place for the tri-borough Shared Regulatory Service

**Update** The Scheme of Management has now been updated, referencing the updated IAA, and sent to legal for comments. The Collaboration Agreement has been updated and changes agreed between RSP, SLLP and the RSP Board. Arrangements are currently being made to have this signed off by the various committees across the three councils.

#### 5.7 **Financial Assessment (3 P1's outstanding)**

**Issues:** The charges to clients for care provided at home should be reviewed and updated to reflect the actual costs to the authority, as soon as possible. Where permissible, any costs included in administering the service should also be added. A comparison between the FC2A and the on-line form should be

carried out as soon as possible to ensure consistency between the two documents. The Deferred Charge Mosaic report should be reviewed as soon as possible with appropriate action taken. The team should ensure that going forward, a deferred charge is correctly recorded on Mosaic.

**Update:** The review of charges needs to go to DMT and CMT before going to Cabinet, no decision on dates for this yet. The team are currently testing the on-line platform with IT to update the on-line form. Currently there is a working group for finance related Mosaic improvements and other Mosaic changes. This group is currently looking at the deferred payment workflow and expects this to be a 3-to-6-month project.

### **5.8 Homes for Ukraine (1 P1 outstanding)**

**Issue:** A review of all current sponsors must be undertaken to ensure relevant DBS checks have been carried out and The HfU team must ensure all DBS checks are being completed and followed up promptly. Consideration should be given to checking the children's and adults' barred lists as a minimum whilst waiting for a DBS check updated correctly on Foundry.

**Update:** A full check of all sponsors has been carried out (April 2024) and a plan is underway to confirm the status of DBS checks for each household. One team member has been focusing on this with support from the Team Leader. The Foundry database is being updated as some checks had been completed but the database had not been altered to show this. The team is using a member of staff from another service on a temporary basis to help with outstanding visits. It should be noted that Foundry has restrictions on access which can affect changing information, and when a separate report is made via the JIRA system it can take weeks before a reply is received.

### **5.9 School Budget monitoring (1 P1 outstanding)**

**Issue:** The LBM Scheme for Financing Schools requires updating in line with the DfE guidance and updates provided since 2018. The 'Guidance on setting a Deficit budget' requires updating to remove Section C, as cashflow loans are not permitted under the DFE guidelines.

**Update:** The Scheme for Financing Schools is now a priority after the completion of year end. We are looking to have a draft available for review in the near future.

### **5.10 Retention set up O365: (1 Priority 1 outstanding)**

**Issue:** The possibility of enabling site owners and team members to view the details of the owner's members and visitors within SharePoint should be investigated. This will enable site owners to keep the access up to date. IT should investigate the possibility of removing access from previously shared documents. It is acknowledged that the current starters movers and leavers forms detail the information required to enable access to be removed or changed. However, these forms are very often not fully completed for employees and often not completed for agency workers, appointments via the LGRP

contract. or individual contract awards for consultants. This places a significant security risk on the authority due to the possibility of systems remaining available once employment has ceased. The requirement to fully complete the starters, movers and leavers forms for all employees including agency staff and contractors must be made clear, with compliance monitored and remedial action taken where this is not happening.

**Action update:** We are planning to do a joint piece of work to refresh our information governance arrangements on SharePoint once the rewiring work that is happening now (remapping SharePoint and Active Directory to the new Directorate structures) is complete We will include all the outstanding IA actions in that work.

#### 5.14 **Pension/payroll controls (2 P1 actions outstanding)**

**Issue:** To ensure all pensioners are being paid their correct benefits, the Pension Service should carry out a full reconciliation between iTrent and Altair to confirm that the benefits values held on both systems are accurate. Following the initial reconciliation, periodic (every other year) checks must be introduced. Consideration must be given to having a process in place that ensures that audit trail data is available following any future system database resets.

**Update:** Initial reconciliation to be undertaken, to concentrate on identifying and rectifying those pensions with a 5% difference (or more than £100 if the percentage difference is less than 5%) between payroll and pensions dataset. Conclusion by 31 August 2024.

#### 5.15 **St Matthews Primary and Nursery School (all actions implemented)**

**Issues:** The school produced a predicted deficit budget for the 2022/23 financial year of £59,811. The 1-year budget plan was submitted to the Local Authority on 11/05/2022; however, this was not a signed version as approved by the Governors. The Local Authority did not licence the 2022/23 deficit budget. The school does not have a Statement of Roles and Responsibilities, Financial Terms of Reference, and Scheme of Delegation in place. A review of a sample of high-value purchases carried out by the school found, no quotes obtained and no contract in place.

**Management Action:** Meetings have been held with LBM and school sent in an approved (by Governors) 3-Year Budget, Recovery Plan, 1-Year Budget Cash Flow, and 1-year deficit budget for 2023/24. A Statement of Roles and Responsibilities, Financial Terms of Reference and Scheme of Delegation taken to Governors for approval. Contract put in place and a review of all ongoing contracts undertaken to ensure value for money is achieved. A BACS process and procedures manual including approved BACS signatories and payment limits detailed in the document.

#### 5.12 **Poplar Primary School –(All actions implemented).**

**Issues:** The school carried forward a £63,622.00 surplus balance from the 2022/23 financial year, with a 2023/24 budget predicting an in-year deficit of



£313,102.00 on the delegated funds, resulting in a year-end predicted deficit of £249,480.00 for 2023/24. At the time of the audit, it was found that the Local Authority did not licence the deficit budget for 2023/24, although it was confirmed by the School Business Manager and the School's Finance Support Officer that at least two budget meetings had been held with the Local authority to discuss the school's financial position.

**Update:** The school have produced and approved by Governors a Recovery Plan and a 1 Year Budget Cash Flow, to supplement the currently 1-year deficit budget submitted for 2023/24.

#### 5.13 **St Thomas of Canterbury -All actions implemented.**

**Issues:** It was established that records were not held securely in a locked cabinet. A HR file was missing at the time of the review. The school must put in controls that restrict access to the Admin/SBM office. School should notify their Data Protection Officer immediately of the potential data breach of the missing leaver's folder.

**Update:** This has been actioned and the Data Protection Officer notified of the potential breach.

#### 5.15 **Direct Payments (adults)- (All actions implemented).**

**Issues:** The access levels on the AllPay system require review. The DPSO's had access to make payments from cardholders 'accounts and the auditor access provided enabled the auditor the ability to order a card. A cardholder with active duplicate cards had balances on both cards (approximately £10k on each card) and no record on Mosaic. Mosaic does not accurately reflect the various ways in which service users receive and manage their direct payments. Various Spreadsheet records are maintained by the team which are not reconciled to the Mosaic system. Audit found four accounts on Mosaic not the Monitoring team's record of all current service use. Sample testing shows delays in returning surplus funds from AllPay. Complaints received not recorded or reviewed.

**Actions** Direct Payments will reconcile all current accounts at least twice per financial year with the team-based spreadsheets with that on mosaic & update as necessary, investigating any discrepancies. A review of cards on both portals has been undertaken to ensure there is no duplicate card created. This will be periodically reviewed. Staff have been reminded not to create more than one card for a cardholder. Personal records have been created for all cardholders on Mosaic and highlights their relationship to the service user whose money they manage, where applicable. The team periodically check that money does not sit accounts that are not activated.

## 6. **Review of the Effectiveness of the System of Internal Audit**

- 6.1 A requirement laid down in the Accounts and Audit (England) Regulations 2015 states that ‘the relevant body shall, at least once a year, conduct a review of the effectiveness of its internal audit’. An annual self-assessment against CIPFA’s Code of Practice for Internal Audit in Local Government must be carried out each year and an external assessment every 5 years.
- 6.2 A self-assessment has been undertaken against the Public Sector internal audit standard (PSIAS). This demonstrated substantial compliance with the standards. An external Assessment against the PSIAS is due to be undertaken in June 2023. Where actions have been identified these will be reviewed and included in the Quality Action Implementation Plan and progress reviewed.
- 6.3 The key focus of the review of the effectiveness of internal audit is the delivery of the service to the required standard in order to produce a reliable assurance on internal controls and the management of risks in the authority. In coming to a view on the effectiveness of the system of internal audit, the following factors are all indicators that should be taken into accounts.
- Performance of the internal audit provider (in-house and/or contractors) in terms of both quality and cost.
  - Views of external audit & reliance placed on work by internal audit.
  - Role and effectiveness of the Standards and General Purposes Committee.
  - The extent to which internal audit adds value to the organisation and helps delivery of objectives.
- 6.4 During 2023/24, the internal audit service has achieved the following: -
- Delivery of 97% of the audit plan
  - 100% client satisfaction for audit work

## **7 Fraud Investigations**

- 7.1 The Council’s Anti-Fraud and Anti-Corruption strategy sets out the Council’s approach to detecting, preventing, and investigating fraud and corruption. This strategy is supported by the Council’s whistleblowing policy and Code of Conduct. The Internal Audit section has a key role in implementing this strategy and to ensure that the internal controls in place are robust to prevent fraud occurring or to tighten controls where fraud has occurred.
- 7.2 The Southwest London Fraud Partnership (SWLFP) was established on the 1<sup>st</sup> April 2015 as a 5-borough shared fraud investigation service between LB Merton, RB Kingston, LB Sutton, LB Richmond and led by LB Wandsworth.

### **Investigation caseloads**

- 7.3 In total 52 cases have been opened in 2023/24 as a result of the referrals received and concerns highlighted through proactive fraud drives and NFI matches during the year. A breakdown of fraud referrals accepted for investigation is shown in the table below:

**Table 4 Investigation Caseloads**

2023/24	Sanction target	Open cases b/fwd.	New Cases in Year	Total Cases	Closed No Sanction	Closed with Sanction	Open Cases c/fwd.
Tenancy Fraud	9	16	20	36	11	5	20
Right to Buy	5	0	0	0	0	0	0
Hsg App rejects	20	0	2	6	1	0	1
Permit fraud	0	3	4	7	3	2	2
Employee	0	3	5	8	5	2	1
CTR/SPD	0	3	11	14	8	5	1
Other	0	7	6	13	7	1	5
<b>Total</b>	<b>34</b>	<b>32</b>	<b>52</b>	<b>84</b>	<b>35</b>	<b>15</b>	<b>30</b>

- 7.4 **Tenancy Fraud-** SWLFP have been attending the Clarion Offices on a regular basis since November 2022 to encourage new referrals and progress cases. Referrals have now increased.
- 7.5 **Right to Buy-**Referral received regarding applicant had making a false application by failing to declare previous property ownership and discount. An appointment was arranged with the applicant to complete the SWLFP RTB review form and the tenant advised of the property ownership and withdrew their application.
- 7.6 **Corporate Fraud (internal). (2 with sanctions)** In 2023/24, there were 5 new cases of alleged staff fraud or irregularity under investigation, and 3 cases carried over from 2022/23. Seven cases have been closed, resulting in 1 employee and 1 agency worker being dismissed and 5 cases closed with no further action. None of these cases had a significant financial impact on the Council.
- 7.7 The corporate frauds related to misuse of position, misuse of council funds, theft, and false qualifications. Where frauds are identified, fraud information is shared across the partnership and internal controls weaknesses reviewed.

#### **National Fraud Initiative (NFI)**

- 7.8 All data for the NFI 2022 exercise was provided by the deadline date and uploaded to NFI. Matches have been received and an action plan is being prepared for work on these matches in 2023/24.

7.9 The NFI matches are: - Creditors, Market Traders, Personal Alcohol Licences, Parking, Payroll, Pensions, Personal Budgets, Residential Care, Council Tax & Electoral Registration.

### Audit Assurance Opinions: 2023/24

AUDIT TITLE	Department	FINAL DATE	ASSURANCE LEVEL				RECOMMENDATIONS		
			SUBSTANTIAL	reasonable	LIMITED	NO	Priority 1	Priority 2	Priority 3
	<b>Final/completed reviews</b>								
1	Adult Weigh Management grant	ASC,IC&PH	20/4/23		Y				
2	Core Infrastructure and Legacy Application Review	F&D	20/4/23		Y			4	
3	Section 17 payments	CLLF	19/5/23		Y			8	
4	Shared Pension Service	F&D	9/5/23		Y				1
5	Business Rates	F&D	19/5/23		Y			4	
6	Direct Payments (adults)	ASC,IC&PH	23/5/23			Y	2	12	1
7	Licensing fees and Charges	ECPC	11/6/23		Y			9	
8	Recruitment and Pre employment checks	I&C	29/6/23		Y			2	2
9	Supporting Families annual report	CLLF	23/6/23		Y				
10	Duplicate payments annual report	F&D	28/4/23		Y				
11	St Matthews Primary and Nursery School	CLLF	4/7/23			Y	3	14	1
12	Sharepoint permissions	I&C	25/7/23			Y	2	6	
13	Merton and Sutton Joint Cemetery Board accounts	F&D	9/6/23		Y				

14	Regulatory Service Governance review	ECPC	29/8/23		Y			2	9	2
15	School budget monitoring	F&D	6/9/23			Y		5	6	
16	Accounts Receivable	F&D	6/9/23	Y					2	1
17	Climate Change	ECPC	12/10/23		Y				2	
18	Council Tax	F&D	17/10/23		Y				2	
19	Joseph Hood Primary school	CLLF	18/10/23		Y				7	3
20	IT Asset Management	F&D	29/8/23		Y				1	2
21	Mayors accounts	F&D	14/11/23		Y					
22	Poplar Primary School	CLLF	16/11/23		Y			1	11	1
23	Watersports Centre	ECPC	20/12/23		Y				5	1
24	Cash and Bank – Direct Debits	F&D	4/1/24		Y				4	1
25	Financial Assessments	ASC,IC&PH	23/1/24			Y		3	13	3
26	Accounts Payable	F&D	17/1/23		Y				3	
27	Care Act assessments	ASC,IC&PH	1/2/24		Y				6	
28	Household Support grants	I&C	6/2/24		Y				2	
29	Hatfeild Primary school	CLLF	8/3/24		Y				8	
30	Priory School	CLLF	12/3/24		Y				12	1
31	St Thomas of Canterbury School	CLLF	12/3/24		Y			1	6	2
32	Arboriculture contract	ECPC	28/3/24		Y				4	4
33	Local Welfare Support grants	F&D	12/4/24		Y				3	2
34	Homes for Ukraine	ASC,IC&PH	25/4/24		Y			1	9	

35	Cash and Bank e return	F&D	26/4/24		Y				2	1
36	Pension/payroll controls	F&D	3/5/24			Y		2	5	
37	Budget Monitoring	F&D	4/6/24		Y				5	1
38	Temporary Accommodation	ASC,IC&PH	25/6/24		Y				10	2

	<b>TOTALS</b>				<b>1</b> <b>(3%)</b>	<b>31</b> <b>(81%)</b>	<b>6</b> <b>(16%)</b>	<b>0</b> <b>(0%)</b>	<b>22</b> <b>(9%)</b>	<b>196</b> <b>(78%)</b>	<b>32</b> <b>(13%)</b>
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